resigned he presidency, and yielded up the government to Gen. Parades without a struggle. Thus a revolution was accomplished solely by the army commanded by Parades, and the supreme power in Mexico passed into the hands of a military usurper, who was known to be bitterly hostile to the United States.

Although the prospect of a pacific adjustment with the new government was unpromising, from the known hostility of its head to the United States, yet, determined that nothing should be left undone on our part to restore friendly relations between the two countries, our minister was instructed to cresent his crededtials to the new government, and ask to be accredited by it in the diplomatic character in which he had been commissioned. These instructions he executed by his note of the 1st of March, 1846, addressed to the Mexican Minister of Poreign Affairs, but his request was insultingly refused by that minister in his answer of the 12th of the same month. No alternative re-

press agreement, having twice rejected a minister of peace, minating existing difficulties between them.

Scarcely a hope of adjusting our difficulties, even at a remote day, or of preserving peace with Mexico, could be cherished while Parades remained at the head of the government. He had acquired the supreme power by a military revolution, and upon the most solemn pledges to wage war against the United States and to reconquer Texas, which he claimed as a revolted province of Mexico. He sides, there was good reason to believe, from all his conduct, that it was his intention to convert the republic of Mexico into a monarchy, and to call a foreign European during his short rule, destroyed the liberty of the press, tolerating that portion of it only which openly advocated the establishment of a monarchy. The better to secure the large pecuniary demands against Mexico. success of his ultimate designs, he had, by an arbitrary de- large pecuniary demands against Mexico. cree, convoked a Congress-not to be elected by the free voice of the people, but to be chosen in a manner to make to be governed by the conqueror during his military pos- be required, it is important that the authority of Congress to them subservient to his will, and to give him absolute con-

Under all these circumstances, it was believed that any revolution in Mexico founded upon opposition to the ambi-tious project of Parades, would tend to promote the cause of peace as well as prevent any attempted European interference in the affairs of the North American continent—
both objects of deep interest to the United States. Any both objects of deep interest to the United States. Any such foreign interference if attempted, must have been resisted by the United States. My views upon that subject were fully communicated to Congress in my last annual were fully communicated to Congress in my last annual in the provinces of New Mexico, and of the Californias, were fully communicated to Congress in my last annual in the provinces of New Mexico, and of the Californias, between the contracted, in preference to a shorter period, is suggested, because all experience, both at home and abroad, has shown that loans are effected upon much better terms upon little if any further resistance is apprehended from the inmessage. In any event, it was certain that no change little if any further resistance is apprehended from the inwhatever in the government of Mexico which would deprive Parades of power would be for the worse, so far as the United States were concerned, while it was highly

ment of Parades; and it became an object of much im- then

posed to foreign interference and to the monarchical form of government. Santa Anna was then in exile in Havana, having been expelled from power and banished from his country by a revolution which occurred in December 1841; but it was known that he had still a considerable party in his favor in Mexico. It was also equally well known that no vigilance which could be exerted by our squadron would, in all probability, have prevented him squadron would, in all probability, have prevented him shown that the had still a considerable cannot be doubted. It cannot be sound policy to withheld large quantities of the public expenditures.

In point of economy, they control of the control of the control of the public expenditures of the public expenditures of the government owe duty which all public functionaries of the government owe squadron would, in all probability, have prevented him the first large bodies of lands which large cannot be doubted. It cannot be doubted by the large cannot be doubted. It cannot be doubted by the same of the public expenditures of the publ monarchy, and to European interference in the affairs of his country. Information to this effect had been received, from a source believed to be reliable, at the date of the recognition of the existence of the war by Congress and was afterwards fully confirmed by the receipt of the despatch of our consul in the city of Mexico, with the accompanying documents, which are herewith transmitted.

siderations that it was deemed expedient not to obstruct appropriation be made, and be not needed, it will remain should not be granted. his return to Mexico, should be attempt to do so. Our in the treasury: should it be deemed proper to apply it in object was the restoration of peace; and with that view, whole or in part, it will be accounted for as other public on imports" not having gone into operation until the first no reason was perceived why we should take part with expenditures. Parades, and aid him, by means of our blockade, in preventing the return of his rival to Mexico. On the contrary, it was believed that the intestine divisions which ordinary sagacity could not but anticipate as the fruit of Santa Anna's return to Mexico, and his contest with Parades, might strongly tend to produce a disposition with both parties to restore and preserve peace with the Unit-ed States. Parades was a soldier by profession, and a both parties to restore and preserve peace with the United Monarchy perfection, and a monarchy in free perfect of States. Parades was a soldier by profession, and a monarchy in the existing with which he had obtained power. He was the sworn enemy of the U. States with which he had involved his counity in the existing war. Santa Anna had been expelled from power by the army, was known to be in open hostility to Parades, and publicly pledged against foreign intervention and the restoration of monarchy in Mexico. In view of these facts and circumstances it was, that, when orders were issued and circumstances it was, that, when orders were issued to the state of the public lands in the neighborhood of their settlements, the country in the existing with that power of the twentieth of October, 1795, the act of 1842, which it superseded. The leading principal and the state of the public lands in the neighborhood of their settlements with a view to raise revenue, and to impose them upon the articles important that the other "shall be punished as principle. He had but recently before been successively in a military revolution, by which he had obtained power. He was the sworn enemy of the U. States, with which he had involved his counitry in the existing war. Santa Anna had been expelled from power by the army, was known to be in open hostility to Parades, and publicly pledged against foreign intervention and the restoration of monarchy in Mexico. In view of these facts and circumstances it was, that, when orders were issued to exert their utmost vigilance in preventing any attempts to exert their utmost vigilance in preventing any attempts and overgown wealth of the comparatively few with had invested them from impose them upon the articles important to impose them u

I resolved to prosecute it with the utmost vigor. Accordingly, the ports of Mexico on the Gulf and on the Pacific have been placed under blockade, and her territory invaded at several important points. The reports from the Departments of War and the Navy will inform you more in detail of the measures adopted in the emergency. more in detail of the measures adopted in the emergency solemn treaty.

In which our country was placed, and of the gratifying if recommend that Congress should immediately provide residue.

The various cohemns of the army have performed their duty under great disadvantages, with the most distinguish-Residence de la Palma, and of Monterey, won against greatly superior numbers, and against most decided advantages in other respects on the part of the enemy,

This a subject of spring and auditedition that our volunteer eitien soldiers, who is groupply responded to the contract of the

h ave seen that this course was best calculated to have en-abled the United States to extend to them the most liberal justice. On the 30th of December, 1845, Gen. Herrera tion, and much of it more than a thousand miles from the

export trade of the enemy has been cut off. Well may the American people be proud of the energy dollars and eighty-seven cents, from sales of public lands two and gallantry of our regular and volunteer officers and million six hundred and ninety-four thousand four hundred. soldiers. The events of these few months afford a grati- and fifty-two dollars and forty-eight cents, and from incidenfying proof that our country can, under any emergency, tal and miscellaneous sources \$92,126 71. The exconfidently rely for the maintenance of her honor, and the penditures for the same period were twenty-eight million therefore of her rights, on an effective force, ready at all times voluntarily to relinquish the comforts of home for twenty cents, and the balance of the treasury on the first ready to defend and protect them.

mained for our minister but to demand his passports, and return to the United States.

Thus was the extraordinary spectacle presented to the manufacturing interests will be the favored spectacle presented to the manufacturing interests will be the favored spectacle presented to the manufacturing interests will be the favored spectacle presented to the manufacturing interests will still be the favored spectacle presented to the manufacturing interests will still be the favored spectacle presented to the manufacturing interests will still be the favored spectacle presented to the manufacturing interests of the country, and receive the incidental protection interests of the country, and receive the incidental protection interests of the country, and receive the incidental protection interests of the country, and receive the incidental protection interests of the country, and receive the incidental protection interests of the country, and receive the incidental protection interests of the country, and receive the incidental protection interests of the country, and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection interests of the country and receive the incidental protection in the country and receive the incidental protection interests of the country and receive the incidental protection in the country and receive the incidental protection in the country and receive the country and receive the country and receiv civilized world, of a government, in vio ation of its own exinvested with full powers to adjust all the existing differ- just and honorable to both countries. On the thirty-first orable termination, a further loan will be necessary to meet in my annual invested with full powers to adjust all the existing differences between the two countries in a manner just and honorable to both. I am not aware that modern history presents a parallel case, in which in time of peace, one nation
has refused even to hear propositions from another for terminating existing difficulties between them.

I am y annual message of December last, a tarm of revenue
duties based upon the principles of the existing law was recommended; and I have of the probable beneficial effects of that law,
amount of twenty-three millions of dollars will be
required.

In my annual message of December last, a tarm of revenue
duties based upon the principles of the existing law was recommended; and I have of the probable beneficial effects of that law,
amount of twenty-three millions of the present mouth. I communicate to you, herewith, a
of a Mexican Corgress, to be assembled in the early part
of the expenditures for the present and the next fi-cal year. If
the expenditures for the present and the next fi-cal year.

In my annual message of December last, a tarm of revenue
duties based upon the principles of the existing law was recommended; and I have of the probable beneficial effects of that law,
amount of twenty-three millions of the present mount. I communicate to you, herewith, a
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of duties based upon the principles of the existing law was recommended; and I have of the probable beneficial effects of that law,
amount of twenty-three millions of the present and the next fi-cal year.

In my annual message of December last, a tarm of revenue
duties based upon the principles of the existing law was recommended; and I have of the probable beneficial effects of that law,
amount of twenty-three millions of the present and the next fi-cal year.

In my annual message of December last, a tarm of the principles of the existing law was recommended that the policy established by it be maintained. It has a probable to both countries.

In t

had denounced as guilty of treason, all those Mexicans sonable course of the Mexican authorities, it is the part of amount. It is estimated, also, that should Congress graduate who considered Texas as no longer constituting a part of wisdom not to relax in the energy of our military operathe territory of Mexico, and who were friendly to the cause tions until the result is made known. In this view, it is been long in the market, the additional revenue derived from the United States was indefinite, because the end which he provinces which have been taken, until a definitive treaty

prince to the throne. Preparatory to this end, he had ed into the enemy's country, and will be vigorously prose-

sessions, and until there is either a treaty of peace, or he make it, be given at an early period of your present session. shall voluntarily withdraw from it. The old civil govern-ment being necessarily superseded, it is the right and duty of the conquerer to secure his conquest, and to provide for pay it off, at an earlier period, at its market value, out of the maintenance of civil order and the rights of the inhabitants. This right has been exercised, and this duty with Mexico, it is supposed that a considerable surplus will

ficulties and the restoration of an honorable peace, that Parades should not retain power in Mexico.

Before that time there were symptoms of a revolution in Mexico, favored, as it was understood to be, by the laws of complaint against Mexico, aris
Alabama. The Chickasaw lands, which would not command in the government in a position which would not command in the government in a position which would not command in the government in a position which would not command in the market the minimum price established by the laws of the United States for the sale of their lands, were, in pursuance of the treaty of most consistent with the general welfare, and the pure and wholesome progress of our institutions.

Among our just causes of complaint against Mexico, aris-

disposal of the President. Its object is well known. It should be held responsible for these expenditures. jorities in both houses of Congress. Indeed, in different avoided. forms, a bill making an appropriation of two millions of It is not meant to recommend that the ordinary and neces-

by law for the trial and punishment as pirates of Spanish ver subjects who, escaping the vigilance of their government, shall be found guilty of privateering against the United to and complaint, and to constant efforts to change or repeal them, rendering all investments in manufactures uncertain and precarious. ed skill and courage. The victories of Palo Alto and shall be found guilty of privateering against the United were brilliant in their execution, and entitle our brave made of our American vessels, the utmost vigilance will were brilliant in their execution, and entitle our brave made of our American vessels, the utmost vigilance will simultaneous with the relaxation of the restrictive policy by the U. States, Great Britain, from whose example we derived the system, has relaxed here. She has modified her corn laws and reduced many other try. The nation deplores the loss of the brave officers tors from taking them into Mexican ports, and it is not ap-

hundred and twelve thousand six bundred and sixty-seven

four dollars and sixty cents; of which the sum of seventeen Whilst the war was in a course of vigorous and suc- million seven hundred and eighty-eight thousand seven huncessful prosecution, being still anxious to arrest its evils, standing on the 4th of March, 1845, leaving the amount in-

seventh of July last, to terminate hostilities by a peace energy, as the best means of bringing it to a speedy and honreopen negotiations, of the answer of the Mexican government, and of the reply thereto of the Secretary of State.

was not required to be retained, then a loan of nineteen millions of dollars would be sufficient. If, however Constitution whether it may not be submitted for your consideration whether it may not be submitted. The war will continue to be prosecuted with vigor, as the best means of securing peace. It is hoped that the decision of the Mexican Congress, to which our last overture has been referred, may result in a speedy and honora- June, 1848, to four millions of dollars, would be derived from ble peace. With our experience, however, of the unrea- that source, and the loan required would be reduced by that deemed important to hold military possessions of all the that source would be annually, for several years to come, bethe United States was indefinite, because the end which he provinces which have been taken, until a definitive treaty required may be reduced by that amount also. Should these proposed of the reconquest of Texas, was hopeless. Beexceed eighteen or nineteen millions of dollars-leaving in The war has not been waged with a view to conquest; the treasury a constant surplus of four millions of dollars. but having been commenced by Mexico, it has been carri- The loan proposed, it is estimated, will be sufficient to gover

> In order that timely notice may be given, and proper mea-By the laws of nations a conquered territory is subject sures taken to effect the loan, or such portion of it as may any surplus which may at any time be in the treasury appliconquered provinces in Mexico, assimilating them as far period of twenty years, as that for which the proposed loan me again to recommend the subject to your favorable consideration.

the United States were concerned, while it was highly probable that any change must be for the better.

This was the state of affairs existing when Congress, on the thirteenth of May last, recognized the expenses necessarily incident to of the war which had been commenced by the governments of the war which had been commenced by the government of Parades t and it became an object of much important conquests by making an adequate appropriation for the purpose of erecting fortifications upon them as upon other lands within the security of these important conquests by making an adequate appropriation for the purpose of erecting fortifications upon the sact of the last session of cations and defraying the expension of the war during the months of May and June preceding. But for the war, the whole interest on our public debt."

The balance in the treatment of level as upon other lands within the security of these important conquests by making an adequate appropriation for the purpose of erecting fortifications upon them as upon other lands within the security of these important conquests by making an adequate appropriation for the purpose of erecting fortifications upon the first of July last exceeded nine millions of dollars, notwithstanding considerable the support of their limits, he was based, under the act of the last session of the support of their local governments.

The beneficial effects of the graduation principle have been realized by the governments of the maintenance of our possession and authority over the public debt could and would have been extinguished within their limits, he had been made for the support of their local governments.

The beneficial effects of the graduation principle have been realized by the support of their limits, he had been made for the support of their limits, he had been made for the support of their limits, he had been made for the support of their limits, in the support of their limits, he had been confidence in the calculations upon the made of the support of their limits a short period; and it was a part of my settled policy to do united States acting as the trustee of the Chickesaw tribe of tadians in the sale of their lands lying within the States of Mississippi and portance, with a view to a speedy settlement of our dif- Near the close of your last session, for reasons commu- so, and thus relieve the people from its burden, and place the

more liberal party, and especially by those who were opsince the war so unjustly commenced on her part, are the ex-On the twenty-sixth of February, 1803, an appropria- traordinary expenses in which we have been involved. Justion of two millions of dollars was made, and placed at the tice to our own people will make it proper that Mexico

squadron would, in all probability, have prevented him from effecting a landing somewhere on the extensive gulf coast of Mexico if he desired to return to his countile manner appropriated, with a view to the purchase of the manner appropriated, with a view to the purchase of the Floridas from Seaje. These appropriates and sealed and of the Floridas from Seaje. These appropriates when large and extraordinary expenditures become unavoidable. During the existence of the war with Mexico all our resources should be husbanded, and no appropriate to the purchase of the Floridas from Seaje. try. He had openly professed an entire change of policy; had expressed his regret that he subverted the feder- made to facilitate negotiations, and as a means to enable its vigorous prosecution, and the due administration of the constitution of 1824, and avowed that he was now in the President to accomplish the important object in view. government. Objects of appropriation, which in time of cultivation. lavor of its restoration. He had publicly declared his Though it did not become necessary for the President to peace may be deemed useful or proper, but which are not inhostility, in the strongest terms, to the establishment of a use these appropriations, yet a state of things might have dispensable for the public service, may, when the country is your last session met with the approbation of decided ma- ation of a corresponding amount of public debt may be

Besides, it was reasonable to suppose that he must see that it did not become a law. The reasons which induced be withheld, but it is well known that at every session of United States, and that it would be his interest to favor me to recommend the measure at that time still exist; and Congress appropriations are proposed for numerous odjects of such of our citizens as may be located upon them. I again submit the subject for your consideration, and suggest the importance of early action upon it. Should the appropriation be made, and be not needed, it will remain should not be granted.

Our laws regulating trade and intercourse with the Indian tribes

of the present month, there has not been time for its practical effect uopn the revenue, and the buisness of the country, to be developed. It is not doubted, however, that the just policy which it adopts will add largely to our foreign trade, and promote the general prosperity. Although it cannot be certainly foreseen what amount of revenue it will receive the post office in that territory, and to make the necessary provision for surveying the public lands, and bringing them into market. As our citizens who now reside in that distant region have been subjected to many harpiships, privations and ascrifices in Immediately after Congress had recognized the exis- tical effect uopn the revenue, and the buisness of the countence of the war with Mexico, my attention was directed try, to be developed. It is not doubted, however, that the to the danger that privateers might be fitted out in the just policy which it adopts will add largely to our foreign ports of Cuba and Porto Rico to prey upon the commerce trade, and promote the general prosperity. Although it of the United States; and I invited the special attention of cannot be certainly foreseen what amount of revenue it will the Spanish government to the fourteenth article of our yield, it is estimated that it will exceed that produced by

stances power. He was the sworn enemy of the U. States, with which he had involved his counity in the existing war. Santa Anna had been expelled from power by the army, was known to be in open hostility to Parades, and publicly pledged against foreign intervention and the restoration of monarchy in Maxico. In view of these facilities of Cuba and Porto Rico and circumstances it was, that, when orders were issued to the commander of our naval forces in the Gulf on the fifteenth day of May last, only two days after the existence of the war had been recognized by Congress, to place the coasts of Maxico under blockade, he was directed not to obstruct the passage of Santa Anna to Mexico, should he attempt to return.

A revolution took place in Mexico in the early part of August following, by which the power of Parades was overthrown, and he has since been banished from the country, and is now in exile. Shortly afterwards, Santa Anna returned. It remains to be seen whether his results and have been recently afterwards, Santa Anna returned. It remains to be seen whether his results and have been banished from the country, and is now in exile. Shortly afterwards, Santa Anna returned. It remains to be seen whether his results and have been proposed in the substance of the many not yet prove to be favorable to a pacific adpartment of the existing difficulties, it being manifestly his interest not to persevere in the prosecution of a war commenced by Parades, to accomplish a purpose so absurd a substance of the many commenced by Parades, to accomplish a purpose so absurd as a state recongest of Texas to the Sabine. Had Parade and required by the parades, the world. Copies of these commenced by Parades, to accomplish a purpose so absurd a substance of the many commenced by Parades, to accomplish a purpose so absurd a substance of the manufacture of the existing difficulties, the light of the parades, and a substance of the substance of the many completed to contributing their parts of the world. Copies of these parades, but bis interest not to persevere in the prosecution of a war commenced by Parades, to accomplish a purpose so absord as the reconquest of Texas to the Sabine. Und Parades are the reconquest of Texas to the Sabine. Und Parades are the reconquest of Texas to the Sabine. Under the country was a some as the expense of the many parades remained in power, it is morally certain that any parades remained in power, it is morally certain that any parades remained in power, it is morally certain that any parades remained in power, it is morally certain that any parades the indignant spirit of the unagainst the United States, th

and men who have gallantly fallen while vindicating and defending their country's rights and honor.

It is a subject of pride and satisfaction that our volun-

Our farmers are more deeply interested in maintaining the just and liberal policy of the existing law than any other class of our citizent. They constitute a large majority of our population; and it is well known that when they prosper, all other pursuits prosper also. They have heritofore not only received none of the bounties or favors of government, but, by the unequal operations of the protective policy, have been made, by the burdens of taxation which it imposed, to contribute to the

bounties which have enriched others. When the foreign as well as home market is opened to them, they must receive, as they are now receiving, increased prices for their products. They will find a readier sale, and at better prices for their wheat, flour, rice, Indian corn, beef, pork, lard, butter, cheese, and other articles which they produce. The home-market alone is inadequate to enable them to dispose of the immense surplus of food and other acticles which they are capable of producing, e. n at the most reduced prices, for the manifest reason that they cannot

mand, and of increased prices, consists in the removal of restrictions heretofore imposed, is deemed to be equally certain. That our exports of food, already increased and increasing beyond former example, under the more liberal policy which has been adopted, will be still vastly enlarged, unless they be checked or preafforded them by revenue duties; and more than this they canno

proper, as a war measure, to impose revenue duties on some of the ticles now embraced in the free list. Should it be deemed proper impose such duties, with a view to raise revenue to meet the ex-uses of the war with Mexico, or to avoid to that extent the creation of a public debt, they may be repealed when the emergency which gave rise to them shall cease to exist, and constitute no part

I the permanent policy of the country.

The act of the 6th of August last, "to provide for the better rgunization of the treasury, and for the collection, safe-keeping usfer, and disbursement of the public revenue," has been carr into execution as rapidly as the delay necessarily arising out of the appointment of new officers, taking and appropring their bonds, and preparing and securing proper places for the safe keeping of the public money would permit. It is not proposed to depart in any respect from the principles or policy on which this great measure is founded. There are, however, defects in the details of the measure, developed by its practical operation, which are fully set forth in the report of the Secretary of the Treasury, to which the position of Congress is invited. These defects would impair to attention of Congress is invited. These defects would impair to attention of Congress is invited. These defects would impair to attention of Congress is invited. These defects would impair to some extent, the successful operation of the law at all times, but are especially embarrassing when the country is engaged in war, when the expenditures are greatly increased, when loans are to be entertained of the slightest embarrassment in the fis-

la connection with this subject, I invite your attention to the im- which will fall due prior to the time fixed by law for portance of establishing a branch of the mint of the United States he payment of the current year's revenue; but it at New York. Two-thirds of the revenue derived from the customs being collected at that point, the demand for specie to pay the duties will be large; and a branch mint, where foreign coin and revenue will be forwarded in advance of the regular cent. from Jan'y 1st, 1841, sullion could be immediately converted into American coin, would

depository of the public money.

The importance of graduating and reducing the price of such of the public lands as have been long offered in the market, at the minimum rate authorized by the existing laws, and remain unsold, induces

unsold. The lands were disposed of at their real value, and many persons of limited means were enabled to purchase small tracts, upon which they have settled with their families. That similar results would be produced by the adoption of the graduation policy by the United States, in all the States in which they are the own-ers of large bodies of lands which have been long in the market, afford facilities to our cittzens to become the owners, at low and moderate rates, of freeholds of their own, instead of being the tenants and dependents of others. If it be apprehended that these lands, if reduced in price, would be secured in large quantities by speculators or contains the contains th eculators or capitalists, the sales may be restricted, in limited antities, to actual settlers or persons purchasing for purposes of

In my last annual message I submitted for the consideration of Congress the present system of managing the mineral lands of the United States, and recommended that they should be brought into market and sold, upon such terms and under such restrictions as Congress might prescribe. By the act of the 11th of July last, "the reserved lead mines and contiguous lands in the States of Illinois and Arkansas, and the Territories of Wisconsin and Iowa," were authorized to be sold. The act is confined in its operation, to "lead

mines and contiguous lands."

A large portion of the public lands containing copper and other ores is represented to be very valuable, and I recommend that provision be made authorizing the sale of these lands, upon such terms and conditions as their supposed value may, in the judgment of Congress, be deemed advisable, having due regard to the interests of such of our activers as may be located upon them.

east of the Rocky mountains, should be extended to the Pacific ocean; and for the purpose of executing them and preserving friendly relations with the Indian tribes within our limits, an addihave been subjected to many hardships, privations, and sacrifices in their emigration, and by their improvements have enhanced the value of the public lands in the neighborhood of their settlements,

Embarrassment is likely to arise for want of legal provision authorizing compensation to be made to the agents employed in the several States and Territories to pay the revolutionary and other pensioners the amounts allowed them by law. Your attention is invited to the recommendations of the Secretary of War on this subject. These agents incur heavy responsibilities and perform important duties, and no reason exists why they should not be placed on the same footing, as to compensation, with other dis-

bursing officers.

Our relations with the various Indian tribes continue to be of a pacific character. The unhappy dissensions which have existed among the Cherokees for many years past have been healed. Since my last annual message, important treaties have been negotiated with some of the tribes, by which the Indian title to large tracts of valuable land, within the limits of the States and Territories, has been extinguished, and arrangements made for removing them to the country west of the Mississippi. Between three and four thousand, of different tribes, have been removed to the country provided for them by treaty stipulations, and arrangements have been made for others to follow.

In our intercourse with the several tribes, particular attention

unmber of armed vessels on her coasts, the protection due to our commerce in other quarters of the world has not proved insufficient. No means will be spared to give efficiency to the naval service in the presecution of the war; and I am happy to know that the officers and men anxiously desire to devote themselves to the service of their country in any enterprise, however difficult of execution.

I recommend to your favorable consideration the proposition to add to each of our foreign squadrons an efficient sea steamer, and as early demanding attention, the establishment at Pensacola

The progress and condition of the mail service for the past year are fully presented in the report of the Postmaster General. The revenue for the year ending on the 13th of June last amounted to \$3,437,199, which is \$802,042 45 less than that of the preceding year. The payments for that department during the same time, amounted to \$4,084.297.22. Of this sum \$597,097 30 have been drawn from the treasury. The disbursements for the year were \$235,434.77 less than those of the preceding year. While the disbursements have been thus diminished, the mail facilities have been enlarged by new mail routes of 5739 miles; an increase of transportation of 1,764,145 miles, and the establishment of 418 new post effices. Contractors, postmasters, and others, engaged in this branch of the service, have performed their duties with an energy and faithfulness deserving commendation. For many interesting branch of the service, have performed their duties with an energy and faithfulness deserving commendation. For many interesting details connected with the operations of this establishment, you are referred to the Postmaster General; and his suggestions for improving the revenues are recommended to your favorable consideration. I repeat the opinion expressed in my last message, that the business of this department should be so regulated that the revenues derived from it should be made to equal the expenditures; and it is believed that this may be done by proper modifications of the present laws, as suggested in the report of the Postmaster General, without changing the present rates of postage.

Treasury notes have been as follows, to-wit:

Principal redeemed and cancelled, \$372,675 00 on the suggestions for improving the recommended to your favorable consideration. I repeat the opinion expressed in my last message, that the business of this department should be so regulated that the revenues derived from it should be made to equal the expenditures; and it is believed that this may be done by proper modifications of the present laws, as suggested in the report of the Postmaster General, without changing the present rates of bonds sold, and outstanding Treasury notes, is as

Financial Condition of the State.

"Balance in the Treasury on the 1st day of November, 1846, provided all warrants issued prior to that date had then been redeemed, - - \$589,360 68 From an examination of the Treasurer's books it appears that there are now outstanding warrants to the following Regular Treasury warrants. -Internal improvement warrants,

Which sums being added to the balance above would make the true amount in the Treasury on the 1st day of No-

The auditor remarks that-

payment of State dues, has been fully as large as was Delinquencies, - - tiention of Congress is invited. These defects would impair, to a matter of congratulation to the Legislature and the settlements by county treasurers; and as an additionculation of gold and silver, and be, at the same time, a safe dehas now in his hands, from the proceeds of the suspended debt, about twelve thousand dollars, which, upon his annual settlement with this office, will be

ment for the fiscal year ending October 31st, 1846, of the best markets in the country, the value of all amount to \$69,136 59.

During the fiscal year ending October 31st, 1843, the amount of ordinary expenditures was - - - -69,136 59 Expenditure for 1846 as above. -Retrenchment since 1843.

The ordinary expenses for the year ending October 31st, 1844, were -Expenditure for 1846, as above, Retrenchment since 1844. The ordinary expenditures for the year ending October 31st, 1845, were -Expenditure for 1846, as above,

dinary expenditures for the year 1847, is estimated surrender of that currency. The passage of an act,

served; which is in striking contrast with the thrift- and no practical evil results would be produced by it. less management of previous administrations.

The amount which will be due, on the 1st day of Showing an increase in tolls for 1846

Bonds on which the State has to pay inte-Interest which will be due January, 1st

The amount of six per cent. treasury

notes issued under the act of February 15, 1840, was,

Treasury notes have been as follows, to-wit:

Amount of principal redeemed and can-Amount of interest allowed. Amount outstanding at this date

The amount due on the six per cent. Treasury notes outstanding is as follows, to-wit:

exported to shed by the shed by the capitalists, in manufactor the necessary means of repairing and refitting the vessels of the navy employed in the gulf of Mexico.

There are other suggestions in the report which deserve, and, I still enjoy poort of go poort of go and to cach of our foreign squadrons an emerch and seastermer, and as expectally demanding attention, the establishment at Pensacela of the necessary means of repairing and refitting the vessels of the navy employed in the gulf of Mexico.

There are other suggestions in the report which deserve, and, I doubt not, will receive your consideration.

The process and condition of the mail service for the past year still report of go and to cach of our foreign squadrons an emerch and sexpectally demanding attention, the establishment at Pensacela of the navy employed in the gulf of Mexico.

There are other suggestions in the report which deserve, and, I doubt not, will receive your consideration.

The processary means of repairing and refitting the vessels of the navy employed in the gulf of Mexico.

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The processary means of repairing and refitting the vessels of the navy employed in the gulf of Mexico.

The processary means of repa The amount of five per cent. treasury notes issued refer; and for details to which we could not do justice Amount outstanding at this date, \$349,965 The amount due on these notes is as follows, to-wit . Principal outstanding as above \$349,965 Interest on same (estimated,)

| 1843, the rate of delinquency was \$17 34 on the hun-The Auditor's report for the fiscal year ending Oc. dred, and in 1844, it was \$16 86; thus showing a tober 31st, 1846, is a very able document, and affords gradual improvement in the collections each year. We may, therefore, safely assume that, for future another proof in addition to the many heretofore furnished, of the thorough and efficient manner in which year will not exceed sixteen per cent, of the assessthe duties of that important office are discharged. | ments. It may also be confidently relied upon, that By reference to the report it will be seen that at the number of assessable polls will increase 3,000 the close of the last fiscal year there was remaining each year, and the value of taxable property \$3,500,in the Treasury, provided all warrants to that date this office would justify us in assuming as the increase had been paid, the sum of \$759,177 40, and that the of our taxable resources, but they are put down at times voluntarily to relinquish the comforts of home for the perils and privations of the camp. And though such a force may be for the time expensive, it is in the end economical, as the ability to command it removes the necessity of employing a large standing army in time of peace, and privations, and are ever the proves that our people love their institutions, and are ever the perils and privations of the camp. And though such day of July last was nine million one hundred and thirty-nine dollars and eight total receipts from November 1st, 1845, to October the constant in the most reduced proces, for the manifest reason that they cannot they cannot they cannot the tensus of the camp. And though such day of July last was nine million one hundred and therefore, that they cannot the first day of July last was nine million one hundred and twenty-four million one hundred and therefore, that they cannot the same of \$759,177 40, and that they consumed in the comforts of home for the undred and their treason that they cannot they Total expenditures during same period, 1,044,277 95 quent, and that the number of polls and amount of taxable property will increase as above assumed, the following calculations will show the ability of the State, to comply, promptly and fully, with her part of the conditions, upon which the payment of interest on our public debt was arranged, under the act of January 19, 1845."

Our limits will not permit us to give in extenso, the elaborate tables alluded to in the paragraph of the report quoted above; and we shall therefore content ourselves with the insertion of the concluding portion 636 61 of this branch of the report.

"At the close of the year 1851, our six per cent. Treasury note circulation will, on the above estimate, have been entirely absorbed, and the revenue for the year 1852 will be paid in funds applicable to the payment of our [foreign] indebtedness.

"The amount which will be realized from the assessments of 1852 will be as follows, to-wit: "During the fiscal year just terminated, all war- Assessment on \$143,000,000 of property, \$357,500

rants drawn upon the treasury have been paid, with- Assessment on 145,000 polls, out that delay and inconvenience to the public credi- Delinquencies collected, - - - 45,000 - \$512,275 \$74,600 22,250 Total, - - - 171,850

effected, and the distursements are to be made at points many hundred miles distant, in some cases, from any depository, and a large
portion of them in a foreign country. The modifications suggested
in the report of the Secretary of the Treasury are recommended to
ficient to meet the heavy demands upon the treasury,

and the distursements are to be made at points many huncal operations of the Government. The amount of
Under the act of January 19, 1846, our
public debt, on the 1st day of January, 1853, will be as follows, to-wit:

Bonds outstanding, - - \$11,068,000 to January 1st. 1847. - 1,650,200 One half of one per cent. from January 1st, 1847, to January 1st, 1853, - - -332,040 Total, - - - \$13,060,240

Which being deducted from the amount applicable to the payment of interest as above, would leave a surplus in the Treasury, on the 1st day of January, 1854, after paying the interest due July 1st,

1853, and January 1st, 1854, of - - \$13,919 The above remarks of the auditor afford gratifying ences which will be exerted upon the public prosperity evidence of the improvement in our general finances, by the completion of the canal, and the re-establishand give assurance to the people of Indiana as well ment of the credit of the State upon an honorable as to her public creditors; that she is in a condition and permanent basis, have not been taken into consito realize a per nament restoration of State credit. | deration. It must be evident to all that, as soon as The ordinary expenditures of the State Governlands in that section, and the amount and value of all In point of economy, they contrast favorably with other kinds of property, will advance largely beyond the increase, which would take place, in the absence of that essential element of prosperity. Our population, too, we may safely anticipate, will be rapidly enlarged by the swelling tide of immigration, which, for a number of years past, has been forced into other channels, by the dread of onerous taxation in our \$22,571 69 own State. With a redeemed public faith, and an important work of internal improvement in successful operation, we need have but little hesitancy in estimating, that the taxable property in the State, in 1852, will be one hundred and seventy-five millions, instead of a hundred and forty-three, and the number of taxable polls nearer two hundred thousand, than the number estimated above."

We are strongly impressed with the conviction, that with a view to a saving of interest now accumu-- \$1,985 70 lating on the outstanding six per cent. Treasury notes, The amount which will be needed to cover the or- the legislature should take measures to accelerate the declaring that after a certain date no further interest Thus it will be seen that a rigid system of econo- should be allowed on them, would undoubtedly have my in our public expenditures, continues to be ob- this effect. Such a course is not without precedent,

The amount of tolls collected, on the Wabash and The amount of the Public Debt on which interest is Erie canal east of Tippecanoe, for the year ending payable by the State, and for which provision must be October 31st, 1846, is - - \$105,257 04 The amount for the previous year was

over 1845, of - - - \$20,809 76

The remarks of the Auditor upon the new assessment of lands, made under the act of last winter, are enti-\$3,326,940 tled to special consideration. They point to an evil. to which the legislature should speedily apply an \$555,120 efficient corrective. He says,-"It will be seen that Our entire foreign indebtedness is as follows, to wit: the effect of the reappraisement, authorized by the act of January 19, 1846, was to decrease the value of \$11,068,000 lands \$350,270, while it increased the value of im-Bonds on which the Bank pays interest, 1,390,000 provements \$613,512, and the value of town lots \$511,494. If to the decrease in the value of lands, 3,326,940 be added the value of the additional acres assessed in 1846, to wit: 366,363 acres at \$3 50 per acre, mak-\$15,784,940 ing \$1,282,279, the actual decrease for 1846 as compared with 1845, would be \$1,632,549. Instances of gross inequality in the value of lands will be readily \$1,500,000 discovered by reference to the tabular statement. In The total payments on account of six per cent. the county of Jennings, the value of lands per acre is \$1 86; in Bartholomew, it is \$3 77, and in Johnson, \$4 91. In Rush county, the value of lands per \$1,157,155 00 acre is \$5 43; in Shelby, it is \$3 90. Other exam-161,113 96 ples might be given, were the foregoing not sufficient. The necessity of so amending our present revenue system, that an efficient provision may be made against the injustice of unequal assessments, must be

evident to all." It would afford us pleasure to give further extracts; but as that is impractible, we refer our readers to the report itself, for many other matters of interest, to \$452,845 some of which our space does not permit us even to

15 Jefferson asserted, 60 years ago, that in the natural course of events, the American Union must extend to the Isthmus of Panama; and even Fisher Ames, with all his croaking despondency as to the \$423,465 fate of our institutions, predicted that this empire The entire payments on account of five per cent. was to extend "from ocean to ocean." Our revolutionary fathers were anxious to acquire and annex the \$372,675 00 Canadas; and Charles Carroll was sent as the confi-